

To: South Carolina United States Congressional Delegation

Date: November 10, 2017

Re: Proposed Tax Reform Package

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We are writing on behalf of the state's 270 cities and towns to voice our concern over a number of provisions in the recently released tax reform package that would limit local governments' ability to attract jobs, industry and business.

While we were pleased to see the deduction on municipal bonds' interest remains untouched, there are many provisions in this proposal that concern us. The following will certainly have harmful impacts:

- Eliminating the deduction for state income and local and state sales taxes;
- Eliminating the deduction for city and county property taxes above \$10,000;
- Eliminating the New Markets Tax Credit, the Historic Preservation Tax Credit and the Work Opportunity Tax Credit, which cities widely use as incentives for economic development;
- Eliminating advance refunding of municipal bonds, effective December 31, 2017;
- Eliminating Clean Renewable Energy Bonds, Energy Conservation Bonds, Qualified Zone Academy Bonds, Build America Bonds and other tax credit bonds effective December 31, 2017; and
- Eliminating private activity bonds, effective December 31, 2017.

We recognize that our federal tax code is complex and in need of simplification. However, we have serious concerns about Congress reducing the flexibility of a variety of funding options local officials must have in order to raise the revenues needed to meet our communities' needs.

As this tax reform package makes its way through Congress, we strongly ask that you consider the impact these changes would have on our local economies. Each of us can provide many specific examples of how these deductions, credits and exemptions are positively impacting our communities.

Please don't hesitate to reach out to any of us or the staff at the Municipal Association of South Carolina if you have questions about the serious impact these provisions would have in our state's cities and towns.

Sincerely,

Mayor Steve Benjamin, City of Columbia  
Mayor Frank Brunson, City of Forest Acres  
Mayor John Campolong, Town of McBee  
Mayor Larry Chappell, Town of Lyman  
Mayor J.C. Cook, City of Clemson  
Mayor Rita Craps, Town of Batesburg-  
Leesville  
Mayor Terrence Culbreath, Town of  
Johnston  
Mayor Alfred Mae Drakeford, City of  
Camden  
Mayor Ken Durham, Town of Edgefield  
Mayor Mack Durham, Town of Williamston  
Mayor Melissa Emmons, Town of Elgin  
Mayor Doug Echols, City of Rock Hill  
Mayor Mary Ferguson-Glenn, Town of Carlisle  
Mayor Charlene Herring, Town of  
Ridgeway  
Mayor Billy Hollingsworth, Town  
of Whitmire  
Mayor Bobby Horton, City of West  
Columbia  
Mayor John Howard, City of Lancaster  
Mayor Cornelius Huff, City of Inman

Mayor Wiley Johnson, Town of Summerville  
Mayor Anne Johnston, Town of St. George  
Mayor Henry Jolly, City of Gaffney  
Mayor Billy Keyserling, City of Beaufort  
Mayor Ervin Mathias, Town of Ulmer  
Mayor Steve MacDougall, Town of  
Lexington  
Mayor Joe McElveen, City of Sumter  
Mayor Bo McMillan, City of Mullins  
Mayor Laquan Keith Mitchell, Town of  
Gifford  
Mayor Elise Partin, City of Cayce  
Mayor Rosalyn Reeder, Town of Summit  
Mayor John Rhoden, Town of Hampton  
Mayor John Rhodes, City of Myrtle Beach  
Mayor Terence Roberts, City of Anderson  
Mayor Jack Scoville, City of Georgetown  
Mayor Foster Senn, City of Newberry  
Mayor George Sheppard, City of Tega Cay  
Mayor Roy Smith, Town of McCormick  
Mayor John Stankus, City of Laurens  
Mayor Lisa Sulka, Town of Bluffton  
Mayor John Tecklenburg, City of Charleston  
Mayor Harold Thompson, City of Union